

SPECIAL ARTICLES

SOCIAL SECURITY ACT

Concerning Employees of Physicians

Operators of private laboratories, private sanitariums, and physicians employing one or more were advised today by Commissioner of Internal Revenue Guy T. Helvering to make immediate tax returns as required under the provisions of Titles VIII and IX of the Social Security Act to avoid further payment of drastic penalties which are now accruing.

Commissioner Helvering pointed out that every person employed in such work came under the provisions of Title VIII, which imposes an income tax on the wages of every taxable individual and an excise tax on the payroll of every employer of one or more. This tax is payable monthly at the office of the Collector of Internal Revenue. The present rate for employer and employee alike is 1 per cent of the taxable wages paid and received.

Under Title IX of the Act, employers of eight or more persons must pay an excise tax on their annual payroll. This tax went into effect on January 1, 1936, and tax payments were due from the employers, and the employers alone, at the office of the Collector of Internal Revenue on the first of this year. This tax is payable annually, although the employer may elect to pay it in regular quarterly installments.

The employer is held responsible for the collection of his employee's tax under Title VIII, the Commissioner explained, and is required to collect it when the wages are paid the employee, whether it be weekly or semi-monthly. Once the employer makes the 1 per cent deduction from the employee's pay, he becomes the custodian of Federal funds and must account for them to the Bureau of Internal Revenue.

This is done, Mr. Helvering said, when the employer makes out Treasury Form SS-1, which, accompanied by the employee-employer tax, is filed during the month directly following the month in which the taxes were collected. All tax payments must be made at the office of the Collector of Internal Revenue in the district in which the employer's place of business is located.

Penalties for delinquencies are levied against the employer, not the employee, the Commissioner pointed out, and range from 5 per cent to 25 per cent of the tax due, depending on the period of delinquency. Criminal action may be taken against those who wilfully refuse to pay their taxes.

The employers of one or more are also required to file Treasury Forms SS-2 and SS-2a. Both are informational forms and must be filed at collectors' offices not later than next July 31, covering the first six months of the year. After that they are to be filed at regular quarterly intervals. Form SS-2 will show all the taxable wages paid to all employees and SS-2a the taxable wages paid each employee.

Participation in a State unemployment compensation fund, approved by the Social Security Board, does not exempt employers from the excise tax under Title IX, Commissioner Helvering said. Nor does the fact that there is no State unemployment compensation fund relieve the employer of his Federal tax payments. In those states where an unemployment compensation fund has been approved, deductions up to 90 per cent of the Federal tax are allowed the employer who has already paid his state tax. These deductions are not allowed unless the state tax has been paid.

This tax is due in full from all employers in states having no approved fund. The rate for 1936 was 1 per cent of the total annual payroll containing eight or more employees, and for 1937 it is 2 per cent. The rate increases to 3 per cent in 1938 when it reaches its maximum. The annual returns are made on Treasury Form 940.

An employer who employs eight or more persons on each of twenty calendar days during a calendar year, each day being in a different calendar week, is liable to the tax. The same persons do not have to be employed during that period, nor do the hours of employment have to be the same.

Actual money, when paid as wages, is not the sole basis on which the tax is levied. Goods, clothing, lodging, if a part of compensation for services, are wages and a fair and reasonable value must be arrived at and become subject to the tax.

Commissions on sales, bonuses, and premiums on insurance are wages and taxable.

Officers of corporations whether or not receiving compensation are considered employees for the purpose of taxation.

Wages paid during sick leave or vacation, or at dismissal are taxable.

Traveling expenses required by salesmen are not wages if the salesmen account for, by receipts or otherwise, their reasonable expenditures. That part for which no accounting is made is construed as a wage and is taxable.

Exercise great care in filling out Treasury Forms SS-1 and 940. Directions are easy to follow and correct returns means no unnecessary delay.

BUREAU OF EPIDEMIOLOGY: CALIFORNIA STATE DEPARTMENT OF PUBLIC HEALTH

Report for the Month of June, 1937.

The following report represents the activities of the Bureau of Epidemiology of the California State Department of Public Health during the month of June, 1937:

EPIDEMIOLOGICAL INVESTIGATIONS

1. *Food Poisoning*.—Fourteen cases in Fresno County were investigated at the request of the Health Officer. All had attended a school picnic celebrating the close of school. All had symptoms of acute food poisoning and bacillary dysentery. Food eaten was brought from the home of each of the children. Potato salad seemed to be the food involved. This salad was from six different places, making it difficult to definitely determine the source as no food was available for laboratory examination.

2. *Food Poisoning*.—Ten cases with three deaths in one family group were investigated at the request of the Fresno County Health Officer. All clinically had bacillary dysentery. Blood was obtained from two and agglutination reactions indicated that they were bacillary dysentery. As the family was living under insanitary conditions there was considerable evidence that the various members of the family contracted the disease either direct by contact or through the agency of flies.

3. *Food Poisoning*.—In running down the source of food poisoning in a boy scouts camp in Santa Barbara County a meat packing company in Los Angeles was investigated. The plant was found to be handling food products in a very sanitary manner.

4. *Jaundice, Epidemic*.—The investigation as to the cause of the outbreak of epidemic jaundice in an Eldorado County school in May was continued. The Bureau of Sanitary Inspection has been carrying on extensive trapping for rodents in the vicinity. Only a few new cases have developed since the last of May.

5. *Poliomyelitis*.—At the request of the Tulare County Health Department two cases were investigated. One was an adult migratory laborer, age twenty-two. His onset was May 28, and he had considerable paralysis. There were several slight illnesses in children in the family directly after his onset which may have been abortive attacks or due to other causes. The other case, a boy, age eight, had no contact with the previous case. The child had left Imperial County June 5 and arrived in Tulare County June 6, with onset June 9.

6. *Poliomyelitis*.—At the request of the Health Officer of Santa Barbara, a suspected case was investigated. The child, age three, was under treatment for lues and the question of differential diagnosis was brought up. There was considerable evidence that the case was a mild case of poliomyelitis.

7. *Rabies (Animal)*.—A meeting was held of representatives of the various Los Angeles County health departments with the County Supervisors for the purpose of adopting methods of controlling rabies in the area.

Also the rabies problem was discussed with the City of Los Angeles officials, as well as the County of San Diego.

8. *Suspected Rocky Mountain Spotted Fever*.—At the request of the Health Officer of Fresno, a suspected case

was investigated. The patient, a school teacher, had been on a fishing trip into Nevada, Idaho, Utah, and Arizona. When he returned he found a tick on his person. Four days later he ran a fever, headache, pains in shoulders, back, and abdomen. When seen two days after onset there was no sign of rash. Case proved not to be spotted fever.

9. *Smallpox*.—A case in San Bernardino County was investigated. There was a question as to diagnosis. The case proved to be typical mild smallpox and there were evidences of missed cases in the neighborhood.

10. *Smallpox*.—At the request of the Health Officer of Pasadena, several cases were investigated. Contacts of the first case came down with the disease, having been vaccinated too late after exposure.

11. *Smallpox*.—At the request of the Health Officer of Pasadena, a case under question as to diagnosis was investigated. The distribution was quite unusual but the lesions were typical of smallpox. In running down the source of infection several unrecognized cases were found.

12. *Typhoid Fever*.—Two cases in Tulare County were investigated. There was no connection between the two cases. Both were in rural territory and both were living under insanitary conditions conducive to the spread of the disease. Laboratory work was done on all contacts but no carrier was discovered.

13. *Typhoid Fever*.—Two cases in Sutter County were investigated. One was a baby six months old. Check of contacts revealed no possible carrier. The other case was in a woman whose onset was just a few days before termination of a normal pregnancy. No possible source of infection was discovered.

14. *Typhoid Fever*.—A case in Yuba County was investigated. The patient had been living in a tent on the Yuba River bank and had been drinking raw river water, although the water was subject to considerable contamination. This was undoubtedly the source of her infection.

15. *Typhoid Fever Carriers*.—Two known carriers in Marin County were visited in order to check up on their activities and sanitary conditions. One had moved to San Francisco.

16. *Typhus Fever*.—A mild case in Los Angeles was investigated. The case, a man employed in a packing house in the industrial portion of the city, gave a history of flea bites and onset six days later. Rats were on the premises of the place of employment.

17. *Undulant Fever*.—At the request of the Health Officer of Fresno, a case was investigated. The patient had been under treatment for several years for tuberculosis. Recently an agglutination reaction was obtained for undulant fever. Undoubtedly her onset dates back at least one year while she was living in the southern part of the State.

MISCELLANEOUS

At the request of the Fresno County Health Department, a survey was made of their methods of morbidity records and suggestions were made as to improvement in the system so that records would be more readily available for statistical purposes and at the same time not add unnecessary duties to the present staff.

MALARIA SURVEY

An extensive survey of the old malaria areas of the State was made in conjunction with representatives of the United States Public Health Service, the Bureau of Sanitary Engineering, and the Division of Entomology and Parasitology of the University of California. Areas around Sacramento, Fair Oaks, Roseville, Lincoln, Penryn, Marysville, Oroville, Yuba City, Los Molinos, Redding, Stockton, Lodi, Modesto, Bakersfield, Arvin, Fresno, Visalia, Porterville, Lindsay, Friant Dam, and Yosemite Valley were surveyed as possible mosquito breeding sites. Evidences of anopheles mosquitoes were hunted and methods of malaria control, especially spraying, were investigated.

PSITTACOSIS CONTROL

During the month of June, 1,532 shell parrakeets and 249 other psittacine birds were shipped out of this State. In addition to the fifteen investigations involved in the inspections for checking the above shipments, eighty-six aviaries were inspected.

IMMUNIZATIONS

Typhoid immunization was continued among the migratory workers. A total of 2,182 injections were administered

in Kings, Tulare, and Kern counties. In Tulare County 462 persons completed the three doses and eighty-six in Kern County. The summary of the immunizations will be presented next month as all of the reports have not been received.

COMMUNICABLE DISEASE REPORTS

Table 1 represents the incidence of reportable diseases during the month of June, 1935, 1936, and 1937. There were four weeks during the months in 1935 and 1936 and five weeks in 1937:

TABLE 1.—Incidence of Reportable Diseases in California (For Months of June, in Years 1935, 1936 and 1937)

Disease	June 1937	June 1936	June 1935
Actinomycosis	1	..	2
Anthrax .....	..	..	..
Beriberi	1	1	..
Botulism .....	..	..	..
Chancroid	3	..	..
Chickenpox	2,989	1,390	2,688
Cholera .....	..	..	..
Coccidioidal granuloma	6	5	2
Dengue	1	..	..
Diphtheria	157	127	135
Dysentery (amebic)	18	8	15
Dysentery (bacillary)	58	15	17
Encephalitis (epidemic)	4	..	2
Erysipelas	85	78	72
Food poisoning	97	89	193
German measles	114	707	2,410
Glanders .....	..	..	..
Gonococcus infection	1,392	813	880
Hookworm .....	..	1	6
Influenza	2,375	2,251	117
Jaundice (epidemic)	5	..	..
Leprosy .....	..	1	2
Malaria	14	10	4
Measles	1,239	5,611	4,542
Meningitis (epidemic)	17	19	22
Mumps	2,123	2,492	942
Ophthalmia neonatorum	1	1	3
Paratyphoid fever	6	6	4
Pellagra	10	14	18
Plague .....	..	..	..
Pneumonia (lobar)	212	261	214
Poliomyelitis	34	17	91
Psittacosis .....	..	..	..
Rabies (human)	1	..	..
Rabies (animal)	242	95	94
Relapsing fever .....	..	..	1
Rocky Mountain spotted fever	2	1	6
Scarlet fever	764	1,049	694
Septic sore throat	4	9	43
Smallpox	75	13	50
Syphilis	1,356	863	984
Tetanus	5	5	8
Trachoma	19	10	5
Trichinosis	1	3	2
Tuberculosis	705	616	670
Tularemia	2	3	3
Typhoid fever	37	69	41
Typhus fever .....	..	2	..
Undulant fever	18	18	18
Whooping cough	2,506	1,532	644
Yaws .....	..	..	..
Yellow fever .....	..	..	..
Totals	16,699	18,205	15,644

An increase for this season of the year is noted in chickenpox, diphtheria and whooping cough, even though there has been some decrease since early spring. Rabies is decidedly epidemic in some sections of the State, notably in Los Angeles County. The increase in the reports of gonorrhea and syphilis is due to the activities of the Bureau of Venereal Diseases, particularly to the letter sent to each physician and osteopath in the State supplying the new card and urging their cooperation in reporting cases under their care.

Respectfully submitted,

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